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General Counsel

27 July 1948

Assistant Director for Operations

Tax Exemption for FBIB Property on Cyprus

REFERENCE: Memorandum, dated 12 July 1948, to Assistant Director for Operations from Assistant General Counsel

1. From informal exploration, this office understood that the FBIB property on Cyprus could be exempt from local taxation by registering the property in the name of the Department of State. It was further understood that this action would be purely an administrative expedient to avoid an unnecessary expenditure of United States Government funds. It was not understood that it would be necessary to relinquish control of this property to another United States Government Agency.

2. If, in order to avoid payment of this tax, it is necessary to transfer title and control of this property to the United States Department of State, it is recommended that title be held as at present in the name of the United States of America.

3. If title, but not control, can be transferred to the Department of State purely as an administrative expedient to avoid payment of tax, it is recommended that it be so transferred with the understanding that the transfer of title shall in no way interfere with the operational efficiency of the monitoring station according to FBIB standards and practices.

4. It is requested that the Executive for Administration and Management be advised of the final recommendation of General Counsel and requested to take appropriate action with reference to the disposition of this matter.

(R/)

GEORGE C. CAREY

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